

What Is Your Firm's Product?

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Throughout the years, students of marketing have learned about the Four P's: product, price, place and promotion.

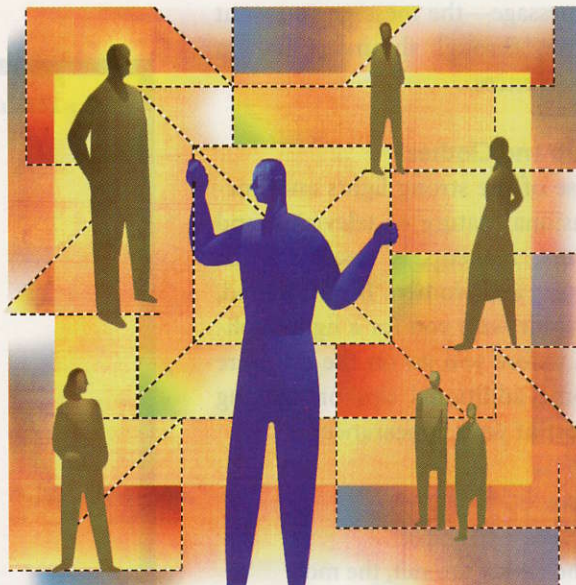
A law firm's "product" is its services, determined by the capabilities of its people. "Price" involves issues like the use of retainers, how to establish hourly rates and whether to offer contingency, flat-fee or other alternative billing arrangements. "Place" relates to the distribution of the product—how services are delivered to clients. Telephone systems, conference rooms, e-mail and a host of other factors come into play in the delivery of legal services. And "promotion" is how law firms communicate what they do to their target audiences, from seminars and newsletters to advertising and press releases.

Focus on Your Product First

Since law firms started formalizing their marketing programs, their efforts have focused heavily on the promotion part of marketing. Marketing discussions typically explore promotional tools like sponsoring public television, hosting seminars, or hiring a public relations firm.



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Lately, the pricing of legal services has received heightened attention, primarily because of client efforts to control or curb their legal costs. And place, or delivery, issues are on the table because of enhancements to communication technology (e.g., file transfer protocol).

Product is the marketing component to which firms often pay the least attention. Yet, having a clear definition of the firm's capabilities—and, more importantly, being able to communicate distinctive competencies—will be critical to a firm's future marketing success.

It may be useful to think about your firm's product in two ways: your core competencies and total product concept.

Identify Your Core Competencies

On a strategic level, your firm needs to identify its core competencies.

You will profit by focusing more attention on the "product" aspect of marketing: Define the scope of your practice, then determine what distinctive aspects of your services will attract loyal clients.

What services does your firm offer which are critical to future success?

In many cases, firms offer services that have developed because of a past client need or because of the interest of one or more lawyers. But analyze your targeted clientele and the services they will require of you in the future. What specific capabilities would the resulting list contain?

Defining these future client needs requires some research: talking to clients, polling your lawyers and reviewing trends or secondary data. This analysis often reveals services not presently offered by the firm which should be explored (by hiring a lateral, building the practice or developing a good referral relationship, for example). It also exposes current services which are not critical.

For instance, suppose your firm primarily works with small businesses. You may determine that you need to expand your tax capabilities, while the insurance defense work you've done in the past does not fit into your core competencies.

You may not necessarily need to jettison all noncore practices. But the resulting list will become an important management tool in analyzing opportunities for future growth or investment.

Total Product Concept

Once the core practices are defined, lawyers in your firm should analyze each area in which they work. They need to determine how the firm will be competitive and what its distinctive competencies are. That means they need to understand the total product concept.

Think of each product or service as a circle with three rings around it. At the center of your product is the generic service. This is the fundamental legal need for which clients consult

your firm—for example, an estate plan. The second ring describes the basic client expectation for the service. In estate planning, the client expects the resulting document to accomplish a desired transition of wealth.

If your firm's legal services operate only at these two levels—meeting basic expectations involving generic services—your firm will have difficulty competing for clients in the future.

The third ring involves things you do to augment your services. For example, do you attach a one-page summary to each estate plan to explain (in plain English) what the document says? Or do you send out a letter every two years reminding clients to update their wills? At present, operating at the third level of service will put you ahead of many lawyers. In the future, however, these kinds of activities increasingly will become expectations of clients.

The final ring represents the highest level of service you can offer: the intangibles. These are activities that clearly exceed the expectations of the

client. An example would be calling the client after a major life event (moving into a new home or the wedding of a child, for example) to discuss how the situation may alter the client's estate planning needs. Or introducing the client to a new, tax-saving financial tool brought to your attention by a trust officer or insurance agent. Such initiatives will position your law practice for future marketing success.

Make Sure Clients Understand How You Differ from Competitors

Instead of trying to "sell" existing services, law firms should be more strategic. First, define the scope of your practice. Then determine what distinctive elements of each service will attract and retain loyal clients.

When analyzing your capabilities and competencies, keep in mind that you are (or will be) competing with nonlawyers in virtually every area, at least to an extent. Clients will need to understand how your services are better than or different from those offered by your potential competitors. ■

The Four P's of Law Firm Marketing

Product	Your services, determined by the capabilities of your people. EXAMPLE: Tax and business planning services to small companies.
Price	How much your services are worth, and how you charge for them. EXAMPLES: Hourly rates, contingency, flat fee or other alternative billing arrangements.
Place	Distribution of the product, or how services are delivered to clients. EXAMPLES: Telephone systems, conference rooms and e-mail.
Promotion	How law firms communicate what they do to their target audiences. EXAMPLES: Seminars, newsletters, advertising and press releases.